

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7350

BILL NUMBER: HB 1898

NOTE PREPARED: Jan 24, 2003

BILL AMENDED:

SUBJECT: Quality Improvement and Education Fund.

FIRST AUTHOR: Rep. Frizzell

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X

X

**GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: This bill establishes the Quality Improvement and Education Fund for purposes of funding certain educational, training, and research activities to improve the quality of care provided in health facilities. The bill requires that 50% of specified fines collected under the law governing health facilities be deposited into the Fund.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The bill would annually appropriate money available in the Quality Improvement and Education Fund to be used to improve the quality of care in health facilities. Activities that funding could be used to support would include education and training, development of "best practice" guidelines and clinical protocols, and clinical research and other activities.

Explanation of State Revenues: This bill would create the dedicated, non-reverting, Quality Improvement and Education Fund. Half of the health facility civil fines currently required to be paid to the Department of Health (DOH) for subsequent deposit in the General Fund, would be diverted to the Quality Improvement and Education Fund. DOH does not track health facility civil fines separately; the Department accumulates several types of civil fine revenues in one minor object code. While DOH does not specifically know how much revenue is due to fines assessed to health facilities, they did report that "most" of the funds tracked in the minor object code are from health facility fines. The Department of Health has collected the following civil fine revenue:

FY 2000	\$428,915
FY 2001	\$212,076
FY 2002	\$106,850

The revenue stream would be dependent upon the number of fines assessed and paid each year; the Quality

Improvement and Education Fund would receive 50% of the collections.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Department of Health.

Local Agencies Affected:

Information Sources: Indiana Auditor of State, "Budget Revenue Trial Balance" as of 6/30/2000, 2001, and 2002; 1000/41050/104000. Zach Cattell, Legislative Liaison for the State Department of Health, (317)-233-2170.

Fiscal Analyst: Kathy Norris, 317-234-1360